

DoD NAF Health Benefits Program (HBP) Information

Issue 18

April 2006

Subrogation

The Rawlings Company

The DoD NAF Health Benefit Program (HBP) utilizes the services of The Rawlings Company for the purposes of subrogation. Subrogation is the right of the NAF HBP to substitute itself as a covered plan participant in the recovery of medical expenses incurred due to an illness or injury for which a third party may be liable, and recover owed expenses. For example, if a covered member or a covered dependent were injured in an accident that was the fault of another person or party, The Rawlings Company, on behalf of the NAF HBP, would pursue necessary action in recovering money owed to the NAF HBP. In most cases, this involves recovering monies paid to you by the NAF HBP for medical claims when the negligent party in a third party liability situation, such as an automobile ac-

cident, should pay those medical claims. Please be aware that the Rawlings Company only recovers monies a third party owes to the NAF HBP; it does not recover monies that the third party owes directly to you or your dependents.

Subrogation is an important cost containment measure for self-funded health programs like the NAF HBP. A self-funded health plan assumes the responsibility of paying all health care claims using money collected from premiums paid by members each month. This means that it is your employer who funds all submitted claims, not Aetna. Self-funded health plans must pay all claims, regardless of whether the health premiums collected are enough to pay the claims. Medical expenses from injuries caused by a third party that are not reimbursed can lead to increases in premiums, as well as contribute to future benefit reductions. Therefore, if you receive a letter or phone call from The Rawlings Company, do not ignore it! If you receive a letter, open it, review the material, answer the questionnaire, and send it back so that your claim can be properly pursued if money is owed from a



third party. If you have already disregarded any information sent to you, don't worry, The Rawlings Company sends a total of five questionnaires to qualifying members. Where the dollar amount of paid claims reaches a certain level, the Rawlings Company places phone calls to affected members. The efforts of The Rawlings Company assists in reducing the cost of the NAF HBP for both you and your employer. Any savings to the health benefits program helps to keep your premiums low and maintain your health benefits levels.

Additional information pertaining to the matter of subrogation can be found in both the Open Choice PPO and Indemnity Summary Plan Description or SPDs. This information is located in the "General Information about Your Coverage" section under "Recovery of Benefits Paid." If you do not have a copy of your SPD, please contact your servicing human resources office to obtain one. Summary Plan Descriptions outline many details of your health benefits plan and are an important instrument in understanding its programs and policies.

